



OIL AND GAS COMMISSION

June 22, 2007

2920-4900-59240-07

David Mitchell, P.Eng.  
Area Coordinator, NEBC  
Baytex Energy Ltd.  
2200, 205 – 5<sup>th</sup> Ave. S.W.  
Calgary AB T2P 2V7

Dear Mr. Mitchell:

**RE: CONCURRENT PRODUCTION APPROVAL  
STODDART WEST – BALDONNEL “C” POOL**

Commission staff have reviewed your application, dated June 13, 2007, providing supplemental information to an application originally denied as premature on May 2, 2005. Additional information was also presented at a meeting held on May 31, 2007 with our staff in Victoria.

The original well Baytex et al W Stoddart 5-25-87-21 (WA# 16629) commenced production in February 2004, for a current cumulative volume of 5,655 m<sup>3</sup> oil. A second oil well, Baytex W Stoddart 12-25-87-21 (WA# 21318), has produced from this pool since September 2006. Sufficient information has now been obtained to characterize this pool for reservoir management.

As gas produced exceeds the solution gas-oil ratio and this gas is conserved, Concurrent Production approval is considered appropriate. Accordingly, Approval 07-07-006 is hereby granted under Section 97 of the Petroleum and Natural Gas Act. Individual well daily oil allowables and gas-oil ratio adjustment factors no longer apply. This approval will allow flexibility in production management to maximize pool oil recovery. Preferential production of lower gas-oil ratio wells is expected.

Should you have any questions, please contact Ron Stefik at (250) 952-0310.

Sincerely,

Doug McKenzie  
Director  
Resource Conservation Branch

Attachment

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**RESOURCE CONSERVATION BRANCH**

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APPROVAL 07-07-006

THE PROVINCE OF BRITISH COLUMBIA  
PETROLEUM AND NATURAL GAS ACT  
OIL AND GAS COMMISSION

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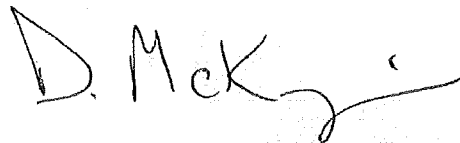
IN THE MATTER of a Concurrent Production scheme of Baytex Energy Ltd. (Baytex) for producing gas and oil from the Stoddart West field Baldonnel "C" pool with a project oil and gas allowable.

NOW, THEREFORE, the Commission, pursuant to Section 97 of the Petroleum and Natural Gas Act, hereby approves a Concurrent Production scheme of Baytex for oil and gas production with project allowables, as such scheme is described in

*an Application to the Commission dated April 22, 2005 and June 13, 2007 and related submissions.*

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of;  
Twp 87 Rge 21 W6M – section 25.
2. The project daily oil allowable is waived.
3. Gas production is limited to  $12.0 \times 10^3 \text{m}^3/\text{d}$ .
4. All produced gas must be conserved.
5. The requirements of Section 9 of the *Drilling and Production Regulation* are hereby waived, provided that oil wells within the scheme area are not completed nearer than 100 m to the sides of the approved area.
6. This approval may be modified or rescinded at a later date if deemed appropriate.



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Doug McKenzie  
Director  
Resource Conservation Branch

DATED AT the City of Victoria, in the Province of British Columbia, this 22<sup>nd</sup> day of June, 2007.